

Illinois sales tax rules provide that taxpayers may utilize electronic data interchange (EDI) as a method for record keeping if the EDI process contains the level of record detail, in combination with other records related to the transaction, that is equivalent to the level of detail contained in an acceptable paper record. See 86 Ill. Adm. Code 130.805. (This is a GIL.)

April 15, 2003

Dear Xxxxx:

This letter is in response to your letter dated December 23, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at www.revenue.state.il.us/Laws/regs/part1200/.

In your letter, you have stated and made inquiry as follows:

I am writing to you to obtain confirmation that exemption and/or resale certificates that have been archived as images will be acceptable proof of exemption under audit.

Our customer provides hard copies of exemption and/or resale certificates to us. Upon receipt of the certificates we scan them and match them with customer information in computer databases. The scanned certificates are saved as Adobe Acrobat Reader files, .pdf. The exemption and/or resale certificates are then returned to our customer for warehousing.

Once all exemption and/or resale certificates have been scanned and matched, our customers have the ability to search for certificates. All certificates can be printed, saved, emailed, but not modified or manipulated, from a secure web site. The secure site is hosted by our company in STATE and not directly on customer's computer server.

Regulation Illinois Administrative Code 130.805(C) states that records can be stored and retained electronically so long as there are procedures for converting such documents, procedures for identifying and located documents, records are cross-referenced, and must maintain a 'high degree of legibility'.

Your timely response to this inquiry is appreciated and can be forwarded to:

ADDRESS

If you have any questions or require further information before responding, please do not hesitate to call me.

Illinois sales tax rules provide that taxpayers may utilize electronic data interchange (EDI) as a method for record keeping if the EDI process contains the level of record detail, in combination with other records related to the transaction, that is equivalent to the level of detail contained in an acceptable paper record. See 86 Ill. Adm. Code 130.805. Please note that hard copy records generated at the time of the transaction need not be retained unless those hard copy records are required to be provided or received under current Illinois statutes or rules. See subsection (d) of Section 130.805.

Keeping copies of certificates as Adobe Acrobat Reader files, .pdf, would comply with the regulations as long as the certificate contains the information found in 86 Ill. Adm. Code 130.1405, cannot be tampered with, and is a legible scan of the original.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk